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THE HONORABLE RONALD B. LEIGHTON

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

BRENDA WATSON, et al., On Behalf of)
Themselves and All Others Similarly Situated,) No.
Plaintiffs,) C-05-5200-RBL
vs.) CLASS ACTION
DELL INC., et al.,) ORDER PRELIMINARILY APPROVING
Defendants.) SETTLEMENT AND PROVIDING FOR
NOTICE TO SETTLEMENT CLASS

)

1
2 WHEREAS, a proposed class action is pending before the Court entitled *Watson, et al. v.*
3

4 *Dell Inc., et al.*, Case No. C-05-5200-RBL (the “Action”);
5

6 WHEREAS, a proposed class action is pending in the San Francisco County Superior
7 Court entitled *Weber, et al. v. Dell Inc., et al.*, Case No. CGC-05-438648 (“Weber”);
8

9 WHEREAS, a proposed class action is pending in the United States District Court for the
10 Southern District of New York entitled *Kravitz, et al. v. Dell Inc., et al.*, Case No. 05-CV-2543
11 (“Kravitz”);
12

13 WHEREAS, plaintiff Susan Jamieson threatened to file a proposed class action captioned
14 *Jamieson v. Dell Financial Services, L.P., et al.*;
15

16 WHEREAS, the Court has received the Joint Stipulation of Class Action Settlement
17 dated June 28, 2006 (the “Stipulation”) that has been entered into by Plaintiffs and Defendants,
18 and the Court has reviewed the Stipulation and its attached Exhibits; and
19

20 WHEREAS, the Parties having made application, pursuant to Federal Rule of Civil
21 Procedure 23(e), for an order preliminarily approving the settlement of the Action, in accordance
22 with the Stipulation which, together with the Exhibits annexed thereto sets forth the terms and
23 conditions for a proposed settlement of the Action and for dismissal of the Action with prejudice
24 upon the terms and conditions set forth therein, and the Court having read and considered the
25 Stipulation and the Exhibits annexed thereto; and
26

WHEREAS, all terms shall be used herein as defined in the Stipulation, unless otherwise
noted;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The First Amended Class Action Complaint submitted by Plaintiffs, bearing the
caption above, is hereby deemed filed effective as of the date of the entry of this Order, and is
the operative Complaint.

2. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court
preliminarily certifies, for purposes of effectuating this settlement only, a settlement class of all

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2 Persons in the United States who financed the purchase of computer systems, related products
3 and/or services and support from Dell by opening a Dell Preferred Account (“DPA”) between
4 May 1, 2002 and June 30, 2005 and (a) had FICO scores of 700 or greater at the time they
5 opened their DPAs; and (b) did not receive any promotional credit features when they opened
6 their DPAs, such as 90 Days Same As Cash (the “Settlement Class”). Excluded from the
7 Settlement Class shall be all Persons who validly request exclusion therefrom in accordance with
8 the procedures ordered herein.
9

10 3. The Court designates Simon Harding as the representative for the Settlement
11 Class.
12

13 4. The Court designates the following as counsel for the Settlement Class:
14 (a) Lerach Coughlin Stoia Geller Rudman & Robbins LLP; (b) Hagens Berman Sobol Shapiro
15 LLP; (c) Keller Grover LLP; (d) Seeger Weiss LLP; (e) Mehri & Skalet, PLLC; and (f) Trial
16 Lawyers for Public Justice (collectively, “Class Counsel.”)
17

18 5. The Court finds that the proposed class action settlement is within the range of a
19 fair, reasonable and adequate settlement, and preliminarily approves the Stipulation and the
20 settlement set forth therein, subject to further consideration at the Fairness Hearing described
21 below.
22

23 6. The Court further finds that the proposed settlement and dismissal of the claims
24 asserted by the Financing Plaintiffs and the Sales Practices Plaintiffs on an individual basis is
25 fair, reasonable and appropriate.
26

27 7. A hearing (the “Fairness Hearing”) shall be held before this Court on
28 **October, 20, 2006** (which is at least 100 days after the filing of the motion), at **2:30 p.m.**, at the
29 U.S. Courthouse, 1717 Pacific Avenue, Tacoma, Washington, to determine whether the
30 proposed settlement of the Action on the terms and conditions provided for in the Stipulation is
31 fair, just, reasonable and adequate to the Settlement Class and should be approved by the Court,
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2 and whether a Judgment as provided for in the Stipulation should be entered. The Court may
3 adjourn the Fairness Hearing without further notice to the members of the Settlement Class.
4

5 8. The Court approves, as to form and content, the Notice of Pendency and
6 Settlement of Class Action, Settlement Hearing and Claims Procedure (the "Notice") and the
7 Proof of Claim form annexed as Exhibits 1 and 2 hereto, respectively, and finds that the mailing
8 and distribution of the Notice and Claim Form substantially in the manner and form set forth in
9 Paragraph 9 of this Order meet the requirements of Federal Rule of Civil Procedure 23 and due
10 process, is the best notice practicable under the circumstances and shall constitute due and
11 sufficient notice to all individuals entitled thereto.

12 9. Pursuant to Rule 53(c) of the Federal Rules of Civil Procedure, the Court appoints
13 the firm of Rust Consulting, Inc. (the "Settlement Administrator") to supervise and administer
14 the notice procedure, as well as the processing of claims as more fully set forth below:

15 (a) Not later than August 14, 2006 (the "Notice Date"), the Settlement
16 Administrator shall cause a copy of the Notice and the Proof of Claim, substantially in the forms
17 annexed as Exhibits 1 and 2, respectively, to be mailed by first class mail to all Persons in the
18 Settlement Class ("Settlement Class Members") who are identified through the procedures set
19 forth in Paragraphs II. N and VIII. I of the Stipulation;

20 (b) Not later than seven days after the Notice Date, Dell Financial Services,
21 L.P. ("DFS") shall provide Class Counsel with the following information in electronic form with
22 respect to the Settlement Class Members: the last four digits of the social security number and
23 the claim amount or amounts to which a member is entitled (the "Class Member List"). Class
24 Counsel is to treat the Class Member List as confidential and shall not disclose or use the
25 information on the Class Member List for any purpose other than to assist in the processing of
26 claims for Settlement Class Members. The Court hereby orders DFS to provide such
information to Class Counsel for such purpose, in their capacity as counsel for and fiduciaries to
the Settlement Class. Class Counsel expressly has requested such information.

(c) At least seven (7) calendar days prior to the Fairness Hearing, Defendants shall cause to be served on Class Counsel and filed with the Court proof, by affidavit or declaration, of such mailing.

10. Settlement Class Members who wish to participate in the settlement shall complete and submit Proof of Claim forms in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proof of Claim forms must be submitted no later than ninety days from the date the Notice and Claim Form are initially sent to Financing Class Members. Any Settlement Class Member who does not timely submit a Proof of Claim within the time provided for shall be barred from sharing in the distribution of the proceeds of the settlement, unless otherwise ordered by the Court.

11. Any Settlement Class Member may enter an appearance in the Action, at his or her own expense, individually or through counsel of his or her own choice. If he or she does not enter an appearance, he or she will be represented by Class Counsel.

12. Unless and until the settlement is canceled and terminated pursuant to the Stipulation, all proceedings in the Action, other than such proceedings as may be necessary to carry out the terms and conditions of the Stipulation, are hereby stayed and suspended until further order of this Court. Pending this Court's final determination of whether the Stipulation should be approved, and in aid of the Court's jurisdiction and to prevent a multiplicity of lawsuits, and unless and until the settlement is canceled and terminated pursuant to the Stipulation, the Settlement Class representative and all Settlement Class Members, and anyone acting on their behalf (including, but not limited to, attorneys, representatives and agents of Settlement Class Members) are barred and enjoined from commencing, instituting, maintaining, prosecuting or aiding and abetting the prosecution of any action asserting any claims, whether directly, derivatively, individually, representatively or in any other capacity, against any of the Released Parties that fall within the scope of the releases set forth in Paragraph VIII.J of the Stipulation, including the actions already pending, *Kravitz* and *Weber*. The Court finds that the

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2 issuance of this preliminary injunction is necessary and appropriate in aid of this Court's
3 jurisdiction over *Watson* and to protect and effectuate the Court's review of the settlement.
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5 13. Any Settlement Class Member may exclude himself or herself by mailing a
6 timely and valid Request for Exclusion by first class mail, sufficient postage prepaid,
7 postmarked no later than thirty-five (35) days after the Notice Date, to the Settlement
8 Administrator. The written request must contain the name, social security number (last four
9 digits only), date of birth and current mailing address of the Settlement Class Member requesting
10 exclusion and must be signed by that person. All Settlement Class Members who do not timely
11 request exclusion shall be bound by this resolution of all issues arising in connection with the
12 claims of the Settlement Class. All Settlement Class Members who submit valid and timely
13 Requests for Exclusion shall have no rights under the Stipulation, shall not share in the
14 distribution of the settlement and shall not be bound by the Stipulation or the judgment entered
in the Action.

15 14. Any Settlement Class Member who does not timely and validly request exclusion
16 from the Settlement Class may object to the certification of the Settlement Class, to the approval
17 of the proposed settlement as fair, reasonable and adequate, to the entry of judgment as provided
18 in the proposed settlement that dismisses with prejudice and releases all claims of Plaintiffs and
19 Settlement Class Members against Defendants and all other Released Parties, to the allowance of
20 reasonable fees and expenses to Class Counsel, to the award of a service award to the Settlement
21 Class representative or to any other matters referred to in the Notice or regarding the proposed
22 settlement. However, no Settlement Class Member or any other individual shall be heard or
23 entitled to object unless he or she has sent to the Settlement Administrator by first class mail and
24 postmarked no later than twenty-eight (28) days before the Fairness Hearing, written objections
25 and copies of any papers and briefs. The written objection must contain the name, social
26 security number (last four digits only), date of birth and current mailing address of the
Settlement Class Member requesting exclusion and must be signed by that person. Any

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2 Settlement Class Member who does not make his or her objection in the manner provided shall
3 be deemed to have waived such objection and shall forever be foreclosed from making any
4 objection to the fairness or adequacy of the proposed settlement as set forth in the Stipulation, or
5 to the award of attorneys' fees and expenses to Class Counsel, unless otherwise ordered by the
6 Court.
7

8 15. All papers in support of the proposed settlement, and the application by Class
9 Counsel for attorneys' fees or reimbursement of expenses shall be filed and served seven (7)
calendar days before the Fairness Hearing.
10

11 16. The Court sets a **Status Conference** for **October 13, 2006**, at **3:00 p.m.**, at which
12 the Parties will discuss any procedural or evidentiary matters related to the upcoming Fairness
Hearing.
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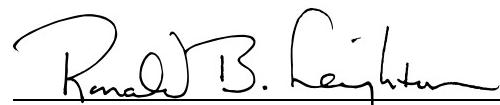
14 17. Neither the Stipulation, nor any of its terms or provisions, nor any of the
negotiations or proceedings connected with it, shall be construed as an admission or concession
by Defendants of the truth of any of the allegations in the Action, or of any liability, fault or
wrongdoing of any kind and shall not be construed as, or deemed to be evidence of or an
admission or concession that Plaintiffs or the Settlement Class Members have suffered any
damages, harm or loss.
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20 18. In the event that the Stipulation is not finally approved by the Court on the terms
and conditions provided therein (including any amendments thereto), or is approved by the Court
but such approval is reversed or materially modified on appeal, or in the event that for any other
reason the settlement is not consummated (other than by a failure of any party to perform such
party's obligations thereunder), then the settlement shall be voidable and this Order and any
other judgment contemplated by the Stipulation shall be vacated and terminated upon
appropriate application to the Court. In the event such application is made and approved: (a) the
Stipulation and settlement shall be terminated and become void and of no effect, (b) any actions
taken or to be taken in connection with the Stipulation and settlement shall become void and of
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2 no effect, (c) the Stipulation and settlement and any hearings or proceedings thereunder shall not
3 be referred to or used as evidence for or against any Party or Settlement Class Member in this or
4 any other action or proceeding, and (d) all pre-trial proceedings, including litigation of the
5 requisite elements of class certification, shall resume as if the Stipulation had not been proposed
6 for approval of the Court.

7 19. The Court reserves the right to adjourn the date of the Fairness Hearing without
8 further notice to the Settlement Class Members, and retains jurisdiction to consider all further
9 applications arising out of or connected with the proposed settlement. The Court may approve
10 the settlement, with such modifications as may be agreed to by the Parties, if appropriate,
11 without further notice to the Settlement Class.

12
13 DATED: July 17, 2006



14
15 RONALD B. LEIGHTON
16 UNITED STATES DISTRICT JUDGE

17 Submitted by:

18 DATED: June 28, 2006

19 LERACH COUGHLIN STOIA GELLER
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22 _____ /s/ Jeff D. Friedman
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[PROP] ORD PREL APPROVING SETTLEMENT &
PROVIDING NOTICE (C-05-5200-RBL)

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14

Attorneys for Plaintiffs

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I, Shana E. Scarlett, am the ECF User whose ID and password are being used to file this
[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT AND PROVIDING
FOR NOTICE TO SETTLEMENT CLASS. In compliance with General Order 45, X.B., I
hereby attest that Jeff D. Friedman has concurred in this filing.

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